

AMENDED IN SENATE MAY 24, 2004

AMENDED IN SENATE APRIL 28, 2004

SENATE BILL

No. 1359

Introduced by Senators Brulte and Escutia

February 18, 2004

An act to add Section 14107.13 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1359, as amended, Brulte. Medi-Cal: notices.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and other low-income persons.

This bill would require the department, ~~at the time payment is made under the Medi-Cal program for any fee-for-service benefit, to mail, in conjunction with the Department of Justice, to identify those areas of the fee-for-service Medi-Cal program that are at greatest risk of fraud or abuse, confirm receipt of services or goods by beneficiaries, or confirm that services or goods underlying claims for reimbursement were actually authorized by a referring provider, or delivered by a rendering provider; and to provide a confirmation of service, to the recipient of the benefits and the provider-referring and rendering providers of benefits.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 14107.13 is added to the Welfare and Institutions Code, to read:

~~14107.13. (a) At the time a payment is made under the Medi-Cal program for~~

14107.13. (a) (1) The department, in conjunction with the Department of Justice, shall identify those areas of the fee-for-service Medi-Cal program that are at greatest risk of fraud or abuse and, in an effort to curb the fraud and abuse, do one or both of the following:

(A) Confirm receipt of services or goods by beneficiaries pursuant to subdivision (b).

(B) Confirm that services or goods underlying claims for reimbursement were actually authorized by a referring provider or delivered by a rendering provider pursuant to this section.

(2) For purposes of this section, "areas" includes, but is not limited to, provider types, services, aid code categories, and geographic areas.

(b) For any fee-for-service benefit, the department shall send by mail provide a confirmation of service to the following:

(1) The recipient of the benefits.

~~*(2) The provider of benefits.*~~

~~*(b)*~~

(A) Notices under this paragraph shall be provided no more frequently than once per calendar month and shall detail all benefits reportedly received that are relevant to the suspected fraudulent or abusive activity identified in subdivision (a).

(B) Notwithstanding subparagraph (A), a notice shall not be provided to a beneficiary who has not received benefits that are relevant to the suspected fraudulent or abusive activity identified in subdivision (a).

(2) The referring and rendering providers of benefits.

(A) Notices under this paragraph shall be provided no more frequently than one per calendar month and shall detail all referrals for benefits and all benefits rendered that are relevant to the suspected fraudulent or abusive activity identified in subdivision (a).

(B) Notwithstanding subparagraph (A), a notice shall not be sent to a provider who has made no referrals for benefits nor

1 *rendered benefits that are relevant to the suspected fraudulent or*
2 *abusive activity identified in subdivision (a).*

3 *(C) Notwithstanding subparagraph (A), a notice shall not be*
4 *sent to a provider who receives a remittance advice from the state.*

5 *(D) Subject to subdivision (e), notices under this paragraph*
6 *shall be sent to the provider's mailing address, facsimile number,*
7 *or electronic mail address, of record with the appropriate licensing*
8 *agency.*

9 *(c) The notices required by this section shall be sent for as long*
10 *as the department, in conjunction with the Department of Justice,*
11 *deems it necessary for fraud control purposes.*

12 *(d) The notices required by this section shall be adopted jointly*
13 *by the department and the Department of Justice.*

14 ~~*(e) The notice*~~

15 *(e) The notices required by this section shall be transmitted*
16 *electronically, via facsimile, or by mail, whichever is most*
17 *cost-effective and practicable, practicable, and consistent with*
18 *state and federal privacy laws and regulations.*

19 ~~*(d)*~~

20 *(f) Notices sent to beneficiaries pursuant to paragraph (1) of*
21 *subdivision (b) shall comply with the Medi-Cal threshold*
22 *language requirements that apply to Medi-Cal managed care*
23 *plans.*

